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**BIOMEDICAL RESEARCH FOUNDATION OF**  
**NORTHWEST LOUISIANA**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2007**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/2/08

**BIOMEDICAL RESEARCH FOUNDATION OF  
NORTHWEST LOUISIANA**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2007**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Biomedical Research Foundation of Northwest Louisiana  
Shreveport, Louisiana

We have audited the accompanying consolidated statements of financial position of the Biomedical Research Foundation of Northwest Louisiana and its subsidiaries (the Foundation) as of December 31, 2007 and 2006, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Biomedical Research Foundation of Northwest Louisiana and its subsidiaries as of December 31, 2007 and 2006, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2008, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

*Postlethwaite : Netterville*

Baton Rouge, Louisiana  
June 25, 2008

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2007 AND 2006**

**ASSETS**

	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$ 3,186,857	\$ 1,412,011
Restricted cash and cash equivalents	231,579	231,579
Unconditional promises to give, net	73,943	153,137
Accounts receivable, net of allowances for doubtful accounts of \$287,231 and \$319,897, respectively	1,177,125	1,702,675
Prepaid expenses and other	192,709	126,399
Bond issuance costs	215,620	272,581
Investments	5,478,833	5,127,394
Property and equipment, net	52,701,559	54,282,083
Total assets	<u>\$ 63,258,225</u>	<u>\$ 63,307,859</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable and accrued expenses	\$ 743,171	\$ 1,173,590
Notes payable	2,114,372	3,360,940
Revenue bonds payable, net of discount	14,090,919	15,334,057
Annuities payable	46,026	345
Asset retirement liability	89,056	89,056
Total liabilities	<u>17,083,544</u>	<u>19,957,988</u>

**NET ASSETS**

Unrestricted	42,597,406	41,210,975
Temporarily restricted	1,764,277	151,865
Permanently restricted	1,812,998	1,987,031
Total net assets	<u>46,174,681</u>	<u>43,349,871</u>
Total liabilities and net assets	<u>\$ 63,258,225</u>	<u>\$ 63,307,859</u>

The accompanying notes are an integral part of these statements.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES AND SUPPORT:</b>				
Support - Philanthropic	\$ 36,579	\$ 157,055	\$ 153,517	\$ 347,151
Rental revenues	4,033,045	-	-	4,033,045
Local government operating grants	2,200,004	-	-	2,200,004
Federal and state grants and contracts	1,484,576	2,400,000	-	3,884,576
Investment revenues	655,040	-	-	655,040
Positron Emission Tomography (PET)	4,865,392	-	-	4,865,392
Radiopharmaceutical sales	1,409,982	-	-	1,409,982
	<u>14,684,618</u>	<u>2,557,055</u>	<u>153,517</u>	<u>17,395,190</u>
Net assets released from restrictions:				
Restrictions satisfied by payments	944,643	(944,643)	-	-
Withdrawal of donor restrictions	327,550	-	(327,550)	-
Total revenues and support	<u>15,956,811</u>	<u>1,612,412</u>	<u>(174,033)</u>	<u>17,395,190</u>
<b>EXPENSES:</b>				
Program services:				
Scientific research initiatives:				
Grants and support for scientific investigators	941,105	-	-	941,105
Leased research facilities	2,448,748	-	-	2,448,748
Science park development initiatives:				
Land, infrastructure, and program development and marketing	3,309,680	-	-	3,309,680
Grants, loans, and financial activities	127,656	-	-	127,656
Positron Emission Tomography (PET) and Radiopharmaceutical Distribution	5,496,590	-	-	5,496,590
Other sponsored projects	708,113	-	-	708,113
Total program services	<u>13,031,892</u>	<u>-</u>	<u>-</u>	<u>13,031,892</u>
Support services:				
Management and general	1,343,374	-	-	1,343,374
Fund-raising	195,114	-	-	195,114
Total expenses	<u>14,570,380</u>	<u>-</u>	<u>-</u>	<u>14,570,380</u>
<b>CHANGE IN NET ASSETS</b>	1,386,431	1,612,412	(174,033)	2,824,810
Net assets - beginning of year	<u>41,210,975</u>	<u>151,865</u>	<u>1,987,031</u>	<u>43,349,871</u>
Net assets - end of year	<u>\$ 42,597,406</u>	<u>\$ 1,764,277</u>	<u>\$ 1,812,998</u>	<u>\$ 46,174,681</u>

The accompanying notes are an integral part of this statement.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2006**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES AND SUPPORT:</b>				
Support - Philanthropic	\$ 59,388	\$ 111,149	\$ 122,500	\$ 293,037
Rental revenues	3,832,236	-	-	3,832,236
Local government operating grants	2,032,610	-	-	2,032,610
Federal and state grants and contracts	1,030,345	-	-	1,030,345
Investment revenues	806,357	-	-	806,357
Positron Emission Tomography (PET)	6,015,126	-	-	6,015,126
Radiopharmaceutical sales	1,523,972	-	-	1,523,972
	<u>15,300,034</u>	<u>111,149</u>	<u>122,500</u>	<u>15,533,683</u>
Net assets released from restrictions:				
Restrictions satisfied by payments	286,349	(286,349)	-	-
Change in donor restrictions	-	(50,000)	50,000	-
Total revenues and support	<u>15,586,383</u>	<u>(225,200)</u>	<u>172,500</u>	<u>15,533,683</u>
<b>EXPENSES:</b>				
Program services:				
Scientific research initiatives:				
Grants and support for scientific investigators	671,966	-	-	671,966
Leased research facilities	2,488,213	-	-	2,488,213
Science park development initiatives:				
Land, infrastructure, and program development and marketing	3,515,707	-	-	3,515,707
Grants, loans, and financial activities	140,751	-	-	140,751
Positron Emission Tomography (PET) and Radiopharmaceutical Distribution	5,717,114	-	-	5,717,114
Total program services	<u>12,533,751</u>	<u>-</u>	<u>-</u>	<u>12,533,751</u>
Support services:				
Management and general	1,397,648	-	-	1,397,648
Fund-raising	194,874	-	-	194,874
Total expenses	<u>14,126,273</u>	<u>-</u>	<u>-</u>	<u>14,126,273</u>
<b>CHANGE IN NET ASSETS</b>	1,460,110	(225,200)	172,500	1,407,410
Net assets - beginning of year	<u>39,750,865</u>	<u>377,065</u>	<u>1,814,531</u>	<u>41,942,461</u>
<b>Net assets - end of year</b>	<u>\$ 41,210,975</u>	<u>\$ 151,865</u>	<u>\$ 1,987,031</u>	<u>\$ 43,349,871</u>

The accompanying notes are an integral part of this statement.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2007 AND 2006**

	2007	2006
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 2,824,810	\$ 1,407,410
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,439,008	2,932,133
Loss on dispositions of property and equipment	-	28,189
Loss (gain) on sales of investments	(344,313)	13,679
Decrease (increase) in unrealized gain on investments	358,495	(226,699)
Decrease in accounts receivable	484,744	525,906
(Increase) decrease in prepaid expenses and other assets	(66,310)	70,485
Decrease in accounts payable and other liabilities	(384,738)	(44,781)
Net cash provided by operating activities	<u>5,311,696</u>	<u>4,706,322</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of property and equipment	(779,661)	(634,533)
Purchase of investments	(1,629,594)	(1,223,400)
Proceeds from sales of investments	1,383,973	804,925
Net cash used in investment activities	<u>(1,025,282)</u>	<u>(1,053,008)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Payments on line-of-credit	-	(1,228,383)
Payments on revenue bonds	(1,265,000)	(1,185,000)
Payments on notes payables	(1,246,568)	(1,214,508)
Net cash used in financing activities	<u>(2,511,568)</u>	<u>(3,627,891)</u>
Net increase in cash and cash equivalents	1,774,846	25,423
Cash and cash equivalents - beginning of year	<u>1,643,590</u>	<u>1,618,167</u>
Cash and cash equivalents - end of year	<u>\$ 3,418,436</u>	<u>\$ 1,643,590</u>
<b><u>Supplemental disclosure of cash flow information:</u></b>		
Cash paid during the year for interest	<u>\$ 1,346,274</u>	<u>\$ 1,542,862</u>

**Non-cash activities:**

During the year ended December 31, 2007, the Foundation exercised stock warrants that it owned and exchanged its note receivable from Red River Pharma in the amount of \$120,000 for 1.00% of the outstanding stock of Red River Pharma (see note 3).

The accompanying notes are an integral part of these statements.



**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of activities and accounting policies

The accounting and reporting policies of the Foundation conform to the accounting principles generally accepted in the United States of America and the prevailing practices within the non-profit industry. A summary of significant accounting policies is as follows:

Organization

The Biomedical Research Foundation of Northwest Louisiana (the Foundation) is a publicly supported not-for-profit organization which was created to pioneer a knowledge-based regional economy by cultivating and attracting life science enterprises and related technologies. The Foundation promotes and develops (1) private and public support and collaboration for a knowledge-based economic development strategy, (2) InterTech Park as a suitable physical environment for life science enterprises and related technologies, (3) capacities and accomplishments, in collaboration with and support of, LSU Health Sciences Center in Shreveport (LSUHSC-S), (4) human resources and regional knowledge base via K-12, higher education, and technical / professional training programs, and (5) support and resources for technology and business innovation, with people, research, facilities, and funding.

Consolidation

The consolidated financial statements include the accounts of the Biomedical Research Foundation of Northwest Louisiana and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

The Foundation owns 100% of Intertech Venture Fund, LP (the Fund) through its two wholly owned subsidiaries, InterTech Venture Management, LLC (VC Management) and BRF Capital, LLC (Capital). VC Management functions as the general partner in the Fund, and Capital operates as the limited partner. The operations of the subsidiaries and the Fund are included in these consolidated financial statements. The Fund was formed to provide venture capital to new businesses desiring to locate in Northwest Louisiana.

During the year ended December 31, 2001, the Foundation formed Southern Isotopes, LLC, a wholly owned subsidiary, to operate a cyclotron in South Louisiana.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Restricted cash and cash equivalents

Restricted cash and cash equivalents, which consist primarily of money market funds and short-term certificates of deposit, represent donor-restricted assets, assets held by the trustee under the bond indenture agreement, and assets pledged for future decommissioning expenses at its two cyclotron sites.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of activities and accounting policies (continued)

Accounts receivable

The Foundation maintains an allowance for doubtful accounts based on management's assessment of collectibility, current economic conditions, and prior experience. The Foundation uses historical collection percentages for each type of payor to determine the allowance; these amounts are reviewed on an annual basis.

The Foundation determines if receivables are past-due based on the contractual terms of the sales agreement and accrues interest on past-due accounts. The Foundation charges off receivables if management considers the collection of the outstanding balance to be doubtful.

Investments

The Foundation follows the provisions of Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under the provisions of SFAS No. 124, investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value. Other investments are carried at cost unless there is an indication of a permanent decline in value.

Unrealized gains and losses are recorded in current year operations as increases or decreases in unrestricted net assets. Dividend, interest, and other investment income is recorded as an increase in unrestricted net assets unless the use is restricted by the donor. Realized gains and losses on dispositions are based on the net proceeds and the amortized cost basis of the securities sold, using the specific identification method, and are classified as temporarily restricted or unrestricted based on donor intent. These realized gains and losses flow through the Foundation's yearly activities.

Property and equipment

Property and equipment are stated at cost. Additions, renewals, and betterments that extend the lives of assets are capitalized. Replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. Provisions for depreciation are computed using the straight-line method over the estimated useful lives of the assets.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gains or losses are recognized as income for that period.

Asset retirement obligations

Effective January 1, 2003, the Foundation adopted SFAS No. 143, *Accounting for Asset Retirement Obligations*. SFAS No. 143 requires the Foundation to record a liability equal to the fair value of the estimated cost to retire an asset. The asset retirement liability must be recorded in the period in which the obligation meets the definition of a liability, which is generally when the asset is placed in service. In accordance with the transition provisions of SFAS No. 143, the Foundation has recorded a liability for the abandonment of the cyclotron assets.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of activities and accounting policies (continued)

Impairment of long-lived assets and long-lived assets to be disposed of

The Foundation accounts for long-lived assets in accordance with the provisions of SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairments have been recognized as of December 31, 2007.

InterTech Science Park

In connection with its efforts to create and expand an environment for economic development in Northwest Louisiana, the Foundation is developing a science and technology business park (InterTech Science Park) in an identified area within the City of Shreveport that is in proximity to three healthcare organizations. The activities consist of business incubation, programmatic support, financial incentives, the purchase of land and buildings and redevelopment of the area into a business park that is attractive to existing and start-up science and technology businesses. This may include renovation of existing facilities or construction of new facilities for sale or lease to prospective companies.

The Foundation records the costs and activities associated with the development in accordance with SFAS No. 67, *Accounting for the Costs and Initial Rental Operation of Real Estate Projects*. As such, direct costs are capitalized as part of the cost of the project. Net income from incidental operations of the land and buildings purchased reduce the carrying value of the property until such time as it is converted to its ultimate use within the planned development.

Costs of borrowing

Financing costs are amortized over the period that the related obligation is outstanding.

Professional liability claims

The Foundation maintains insurance for protection from losses resulting from professional liability claims. The policy is of the claims-made type. The Foundation has not experienced material losses from professional liability claims in the past. No accrual for losses has been established.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of activities and accounting policies (continued)

Contributions

The Foundation accounts for contributions in accordance with the requirements of Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenue in the period received. Promises to give are recorded at realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year.

Local government operating grants

In October of 1997, the voters of Caddo Parish renewed, for a ten year period, a special tax levy by the Caddo Parish Commission (CPC) of two mills on all property subject to taxation for the purpose of economic development through the Biomedical Research Foundation. In October of 2001, the voters of Caddo Parish approved the CPC's plan to rededicate a portion of the millage to public works and extended it through 2017. The accompanying consolidated financial statements include revenues of \$2,200,004 and \$2,032,610 for the years ended December 31, 2007 and 2006, respectively, for amounts the Foundation has applied for and the CPC has approved.

Positron Emission Tomography (PET)

The Foundation has agreements with third-party payors that provide for payments to the Foundation at amounts different from its established rates. PET revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered

Temporarily and permanently restricted net assets

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Foundation in perpetuity.

Income taxes

The Foundation has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Summary of activities and accounting policies (continued)

Cash flow statements

For purposes of the cash flow statements, cash and cash equivalents includes operating and restricted funds on deposit at various financial institutions.

Environmental obligations

A provision for environmental obligations is charged to expense when the Foundation's liability for an environmental assessment and/or cleanup is probable and the cost can be reasonably estimated. Related expenditures are charged against the accrued liability.

Concentrations of credit risk

The Foundation maintains its cash in bank deposit accounts at various financial institutions. The balances, at times, may exceed federally insured limits.

Reclassifications

Certain amounts in the 2006 financial statements have been reclassified to conform to the current year presentation.

2. Unconditional promises to give

Unconditional promises to give at December 31, 2007 and 2006, are summarized as follows:

	<u>2007</u>	<u>2006</u>
Unconditional contributions expected to be collected in:		
Less than one year	\$ 49,100	\$ 102,194
Two to five years	<u>36,000</u>	<u>62,100</u>
	85,100	164,294
Less: allowances for doubtful accounts	<u>( 11,157)</u>	<u>( 11,157)</u>
Net unconditional promises to give	<u>\$ 73,943</u>	<u>\$ 153,137</u>

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

3. Accounts receivable

Accounts receivable consisted of the following at December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Due from the State of Louisiana and EDA	\$ 162,677	\$ 162,791
Rent receivables	84,962	104,821
Positron Emission Tomography (PET), net	659,494	909,800
Radiopharmaceutical Distribution, net	98,191	116,813
Loans receivable (see below)	100,000	220,000
Other	71,801	188,450
	<u>\$ 1,177,125</u>	<u>\$ 1,702,675</u>

In December of 2002, InterTech Venture Fund, LP (the Fund) loaned \$120,000 to Red River Pharma (RRP). The promissory note bore interest at a rate of 6.00%, required quarterly payments of interest, and was scheduled to mature on March 31, 2008. The Fund also received a warrant dated December 16, 2002, for the purchase of a 1.00% interest in RRP at the exercise price of \$120,000. The Fund exercised its option on December 26, 2007, and exchanged its note receivable which had an estimated value of \$120,000 for 1.00% of the outstanding shares of RRP. The Fund then sold its 1.00% share of RRP to an unrelated party on December 27, 2007, for \$270,000.

In December of 2004, the Fund loaned \$100,000 to VC Experts.com, Inc. (VC Experts). The convertible promissory note bears interest at 8.00% and matures on December 15, 2009. In accordance with the terms of the promissory note, the Fund has the right to convert the note receivable into cash or common stock of VC Experts.

4. Investments

Investments at December 31, 2007 and 2006 consisted of the following:

	<u>2007</u>	<u>2006</u>
Mutual funds	\$ 5,023,232	\$ 4,671,793
Common stock	120,001	120,001
Real estate	89,206	89,206
Limited partnership interests	246,394	246,394
	<u>\$ 5,478,833</u>	<u>\$ 5,127,394</u>

Following is the composition of investment revenues for the years ended December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Dividends, interest, and realized gains	\$ 1,013,535	\$ 579,658
Unrealized gain on investments	( 358,495)	226,699
	<u>\$ 655,040</u>	<u>\$ 806,357</u>

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

5. Property and equipment

The composition of property and equipment at December 31, 2007 and 2006 were as follows:

<u>Assets</u>	<u>Estimated useful lives</u>	<u>2007</u>	<u>2006</u>
Land	-----	\$ 5,296,731	\$ 5,156,934
Building and improvements	4 - 40 years	56,265,866	55,814,647
Furniture and fixtures / Equip	5 - 20 years	<u>20,993,212</u>	<u>20,804,566</u>
		82,555,809	81,776,147
Less accumulated depreciation		( 29,854,250)	( 27,494,064)
Property and equipment, net		<u>\$ 52,701,559</u>	<u>\$ 54,282,083</u>

Included in these amounts is property that is being held for lease or future development. These assets are comprised of land and buildings. The total carrying values of these assets was approximately \$31,000,000 at both December 31, 2007 and 2006.

Depreciation expense totaled \$2,360,186 and \$2,844,224 for the years ended December 31, 2007 and 2006, respectively.

6. Long-term debt

On March 1, 2004, the Foundation (the obligor) entered into a Master Financing Agreement with GE Capital Public Finance, Inc. (the lender) and the Louisiana Public Facilities Authority (the issuer). In accordance with the terms of this agreement, the Issuer issued bonds to the lender, and the lender lent the bond proceeds to the Foundation for the purchase of identified equipment.

During the year ended December 31, 2004, the Foundation borrowed approximately \$5,726,000 of the \$15,000,000 available under the Master Financing Agreement. Of these amounts borrowed, approximately \$3,620,000 was used to retire outstanding indebtedness.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

6. Long-term debt (continued)

Notes payable at December 31, 2007 and 2006 were as follows:

	<u>2007</u>	<u>2006</u>
<i>Notes payable:</i>		
Note payable to bank at 6.80%; secured by property; due in monthly payments of \$3,910 through November 18, 2011; balance due December 18, 2011	\$ 313,208	\$ 338,290
Note payable to an individual at 7.00%; secured by property; due in monthly payments of \$3,835 through June 5, 2007	-	22,558
Note payable to an individual at 7.00%; secured by property; due in monthly payments of \$1,483 through September of 2017	125,504	134,183
Note payable to an individual at 7.00%; secured by property; due in monthly payments of \$1,483 through September of 2017	125,504	134,183
<i>Master financing agreement:</i>		
Schedule #1 dated March 1, 2004, in the original amount of \$4,599,611 at 4.25%; secured by equipment; due in monthly installments of \$85,309 through April 1, 2009	1,244,139	2,192,986
Schedule #2 dated March 1, 2004, in the original amount of \$1,126,264 at 4.50%; secured by equipment; due in monthly installments of \$21,018 through April 1, 2009	<u>306,017</u>	<u>538,740</u>
	<u>\$ 2,114,372</u>	<u>\$ 3,360,940</u>



**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

6. Long-term debt (continued)

Revenue bonds payable at December 31, 2007 and 2006 were as follows:

	<u>2007</u>	<u>2006</u>
<b><i>Revenue bonds:</i></b>		
Revenue bonds payable, net of discounts of \$89,081 and \$110,943 at December 31, 2007 and 2006, respectively, at interest rates ranging from 7.10% to 7.75%; secured by lease payments; due in installments through June 15, 2015	\$ <u>14,090,919</u>	\$ <u>15,334,057</u>

The revenue bonds were used to finance the cost of land acquisition, construction, equipping of facilities, and other capital expenditures in support of the InterTech Science Park. The bonds are limited and special revenue obligations of the Louisiana Local Government Environmental Facilities and Community Development Authority. The bonds are secured by an assignment of the revenue generated by the lease of the Virginia K. Shehee Biomedical Research Institute building to the Board of Supervisors of the Louisiana State University and Agricultural and Mechanical College. Cash of approximately \$100,000 at December 31, 2007 and 2006 is restricted for payment of the Foundation's share of operating and maintenance expenses for the building.

The revenue bond discount is being amortized over the life of the bonds. Amortization of bond discount was \$21,862 and \$24,382 for the years ended December 31, 2007 and 2006, respectively.

The long-term debt obligations (notes payable and revenue bonds payable) are scheduled to mature during the years ended December 31<sup>st</sup> as follows:

<u>Year ending December 31<sup>st</sup></u>	<u>Amount</u>
2008	\$ 2,528,118
2009	1,924,362
2010	1,611,217
2011	1,932,106
2012	1,834,464
Thereafter	<u>6,464,105</u>
	16,294,372
Less: unamortized discount	( <u>89,081</u> )
	<u>\$ 16,205,291</u>

The Foundation incurred interest expenses of approximately \$1,342,282 and \$1,539,174 for the years ended December 31, 2007 and 2006, respectively.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

6. Long-term debt (continued)

During the year ended December 31, 2005, the Foundation obtained a \$4,000,000 line-of-credit with a national financial institution. This line-of-credit is secured by investments of the Foundation, bears interest at the 30 day LIBOR rate plus 2.25% (6.85% and 7.58% at December 31, 2007 and 2006, respectively), and expires on August 27, 2009. The line of credit was unused at December 31, 2006 and 2007.

As part of the revenue bond loan agreement and the master financing agreement, the Foundation has agreed to comply with certain covenants. These consist, primarily, of reporting requirements, restrictions on additional debt and security interests, maintenance of its tax-exempt status, maintenance of its facilities, and other administrative requirements.

7. Annuities payable

The Foundation receives donations through split-interest agreements with contributors. These split-interest agreements specify that the donation is made in return for an individual or joint annuity for the remaining lives of the designees. The difference between the contribution and the liability under the annuity is recognized as revenue in the year received. Upon death, the remaining liability, if any, is recognized as revenue. The Foundation did not receive any such donations during the two year period ended December 31, 2007. The balance of all annuities payable at December 31, 2007 and 2006 was \$46,026 and \$345, respectively. The liabilities were calculated using discount rates between 7.0% and 6.2%, and were adjusted for changes in life expectancies during the year ended December 31, 2007.

8. Net assets

Temporarily restricted net assets were restricted for the following specific operating purposes at December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
SMART program	\$ 38,904	\$ 36,212
Core Lab equipment	46,694	46,694
Medical Home Project	1,613,208	-
Other	<u>65,471</u>	<u>68,959</u>
	<u>\$ 1,764,277</u>	<u>\$ 151,865</u>

Permanently restricted net assets at December 31, 2007 and 2006, consisted of endowment funds the principal of which is permanently restricted and the income of which is unrestricted except for amounts restricted for repair, maintenance, and upgrades of scientific equipment donated by the Foundation to LSUHSC-S.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

9. Rental revenues

During the year ended December 31, 1994, the Foundation entered into a cooperative endeavor agreement with the Board of Supervisors of Louisiana State University and Agricultural College (LSU). This agreement sets forth, in part, the terms of the lease of eight of the ten floors of the Virginia K. Shehee Biomedical Research Institute to LSU. During March of 2000, a new lease was entered into that requires the payment of a base rent of \$2,445,000 per year plus the first \$585,000 of certain operating expenses, until June 30, 2015. In accordance with the terms of this agreement, the Foundation recorded rental revenues of approximately \$3,628,000 and \$3,505,000 relating to this lease for the years ended December 31, 2007 and 2006, respectively.

The future minimum lease payments expected to be received from the lease with LSU as well as additional operating leases for office and laboratory facilities and real property, during the next five years is as follows:

<u>Year ending</u> <u>December 31<sup>st</sup></u>	<u>Amount</u>
2008	\$ 3,969,081
2009	3,800,824
2010	3,762,992
2011	3,762,692
2012	<u>3,669,392</u>
	<u>\$ 18,964,981</u>

10. Federal and state grants

During the year ended December 31, 2003, the Foundation was awarded a Nuclear Energy Research Grant from the Department of Energy. The federal grant was awarded to assist in a joint United States and Russia project to establish a Ural Nuclear Medicine Center in Snezhinsk, Russia. Revenues earned from this grant totalled approximately \$16,900 and \$59,500 for the years ended December 31, 2007 and 2006, respectively.

The Foundation was awarded a hazardous cleanup assistance grant from the Environmental Protection Agency. The federal grant was awarded to assist with the clean up of property and to conduct meaningful public involvement regarding the cleanup and reuse of the property. Revenues earned from this grant totaled approximately \$132,400 and \$74,300 for the years ended December 31, 2007 and 2006, respectively.

The Foundation was awarded grants totalling \$11,250,000 through both the Louisiana Department of Economic Development and the United States Department of Commerce for the construction of a wet laboratory incubator facility. As of December 31, 2007, the Foundation incurred costs of approximately \$10,380,000 for work done in connection with that project.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

10. Federal and state grants (continued)

The Foundation was also awarded and fully expensed grants totaling approximately \$1,235,000 and \$897,000 from the Louisiana Department of Economic Development to equip and operate the wet laboratory incubator facility during the years ended December 31, 2007 and 2006, respectively.

In February of 2007, the Foundation was awarded a federal grant in the amount of \$2,400,000 from the Department of Health and Human Services for the implementation of the *Northwest Louisiana Health Care Initiative: Applying a Collaborative Medical Home Concept in Rural and Inner City Northwest Louisiana Project*.

11. Radiopharmaceutical revenues

The Foundation has a limited number of customers for the radiopharmaceuticals that it produces to sell to third parties. The three largest customers comprised approximately 53% and 51% of the sales during the years ended December 31, 2007 and 2006, respectively. Should one or more of the customers discontinue the purchase of radiopharmaceuticals from the Foundation, this could be a material effect on radiopharmaceutical revenues in future periods.

12. Retirement benefit plan

Retirement benefits are provided for substantially all employees through a defined contribution plan which is sponsored by the American Chamber of Commerce Executives. The retirement benefits are based on the actual value of the employees' account balances at the time of retirement. Employees must be twenty-one years of age and must have completed one year of service before they become eligible to participate in the plan. Employees attain a 20% vested interest in the plan after two years of employment increasing to 40%, 60%, 80%, and 100% over the following four years of employment. Contributions to the plan are based on the participants' salaries. The employer's contributions were approximately \$292,000 and \$290,000 for the years ended December 31, 2007 and 2006, respectively.

The Foundation also has a 403(b) annuity plan. No employer contributions are required for this plan.

13. Concentration of credit risk

Financial instruments that subject the Foundation to potential concentration of credit risk consist primarily of cash deposits in excess of the federally insured limits. At December 31, 2007, the Foundation had approximately \$2,970,000 of deposits in excess of the federally insured limits. Management believes the risk of loss is minimal.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

14. Commitments and contingencies

The Foundation receives a portion of its revenues from government grants and contracts which are subject to audit by the federal government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and subject to audit by the government. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

The Foundation receives, directly or indirectly, a portion of its revenues from government grants and tax millages. Although the Foundation does not anticipate a material change in these revenues, there is a possibility that the continued funding of these revenues at current levels could be altered in the future.

In 2000, the Foundation pledged to support research at LSU in the amount of \$500,000 (with CPI adjustments every third year) each year until 2015. The pledge is contingent upon LSU's fulfillment of certain obligations including having made all required lease payments as well as providing an annual five-year plan for expenditure of the funds which is acceptable to the Foundation. As such, the portion of the pledge relating to future years has not been recorded in the accompanying consolidated financial statements.

The Foundation has been notified by the Louisiana Department of Environmental Quality (LDEQ) that one piece of property owned by the Foundation is located on the site of a former creosoting company and that environmental contamination has been confirmed. Based on information from LDEQ, all former business entities of the company responsible for the contamination are bankrupt or otherwise defunct. The Foundation and other affected landowners have been asked by the LDEQ to perform a "Site Investigation" to determine the extent of contamination. In management's opinion, environmental issues will not have a material impact on the net assets of the Foundation. No accrual has been made in these consolidated financial statements for environmental liabilities due to the Foundation being unable to estimate an amount for future investigation or remediation or the amount of grants that may be available to cover such costs.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

The Board of Directors  
Biomedical Research Foundation of Northwest Louisiana  
Shreveport, Louisiana

We have audited the consolidated financial statements of the Biomedical Research Foundation of Northwest Louisiana and its subsidiaries (the Foundation) as of and for the year ended December 31, 2007, and have issued our report thereon dated June 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the Foundation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and management of the Biomedical Research Foundation of Northwest Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Portlethwaite : Netterville*

Baton Rouge, Louisiana  
June 25, 2008

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors  
Biomedical Research Foundation of Northwest Louisiana  
Shreveport, Louisiana

**Compliance**

We have audited the compliance of the Biomedical Research Foundation of Northwest Louisiana with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2007. The Biomedical Research Foundation of Northwest Louisiana's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Biomedical Research Foundation of Northwest Louisiana's management. Our responsibility is to express an opinion on the Biomedical Research Foundation of Northwest Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Foundation's compliance with those requirements.

In our opinion the Biomedical Research Foundation of Northwest Louisiana complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

**Internal Control Over Compliance**

The management of the Biomedical Research Foundation of Northwest Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Foundation's internal control over compliance with requirements that could have a direct and material effect on its major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.



A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### **Schedule of Expenditures of Federal Awards**

We have audited the basic financial statements of the Biomedical Research Foundation of Northwest Louisiana as of and for the year ended December 31, 2007, and have issued our report thereon dated June 25, 2008. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the Board of Directors and management of the Biomedical Research Foundation of Northwest Louisiana, federal and state awarding agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Portlethwaite: Netterville*

Baton Rouge, Louisiana  
June 25, 2008

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

<b><u>FEDERAL DEPARTMENT/PASS-THROUGH ENTITY/PROGRAM</u></b>	<b><u>CFDA #</u></b>	<b><u>Grant #</u></b>	<b><u>EXPENDED</u></b>
<b><u>United States Department of Health and Human Services</u></b>			
Cooperative Agreements to Improve the Health Status of Minority Populations - Passed through the Auxiliary to the National Medical Association, Inc.	93.004	MPCMP051004-2-07	\$ 786,792
<b><u>United States Environmental Protection Agency</u></b>			
Brownfield Assessment and Cleanup	66.818	BF 97676901-1	10,832
Cooperative agreement		BF 96633401-0	104,661
		BF 96633601-0	7,516
		BF 96600301-0	9,393
			<u>132,402</u>
Total Expenditures			<u>\$ 919,194</u>

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2007**

**Note A - Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Biomedical Research Foundation of Northwest Louisiana and its subsidiaries and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note B - Reconciliation to financial statements**

The expenditures listed in the accompanying schedule of expenditures of federal awards are reported as expenses in the Foundation's consolidated financial statements as of and for the year ended December 31, 2007.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2007**

*A. Summary of Auditors' Results*

*Financial Statements*

Type of auditor's report issued: *Unqualified*

Internal Control over Financial Reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: *Unqualified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☐ yes ☒ no

Identification of major programs:

CFDA Numbers  
93.004

Name of Federal Program or Cluster  
Cooperative Agreements to Improve the  
Health Status of Minority Populations

The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000.

The Biomedical Research Foundation of Northwest Louisiana was not determined to be a low risk auditee.

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2007**

**B. Findings - Financial Statement Audit**

None

**C. Findings and Questioned Costs - Major Federal Award Programs**

None

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**  
**SHREVEPORT, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2007**

A. Findings - financial statement audit:

(1) None